

Finance & Change Plan 2022 - 2025

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Foreword

Angus, like all councils, is currently managing some of the most challenging circumstances it has ever faced. We have the perfect storm of rising costs and reducing income along with the financial consequences of the Coronavirus pandemic and that has meant many changes to the way the council provides its services and, in some cases, how those services are paid for.

The council has significantly increased the pace of change in recent years as evidenced by the savings and investments made through our Change Programme but the pandemic has disrupted our progress since 2020/21 as attention had to be switched to the Council's response to the many challenges COVID-19 has brought about. Our latest Change Programme as set out in this document remains ambitious and covers every area of service with clear links to our Council Plan and includes our intention to undertake focused work in areas such as business insights, commercialisation, service contraction, collaboration, and partnership.

Improving the council's efficiency has been a large part of our focus and will remain so, but efficiency alone will no longer be enough to bridge the funding gaps we face into the future. Therefore, we are investing in new programmes of work which will help identify ways for the council to be financially sustainable – a public service organisation fit for the 21st century which works with a number of partners to deliver for local people.

The updated Council Plan, Workforce Action Plan and detailed revenue and capital budget proposals for 2022/23 to 2024/25 reflect the council's ambitions and priorities and show that although significant savings must be made, we are also investing money in those areas we think are the most important in line with our priorities.

Although our budget proposals for 2022/23 mean some reductions in services and an increase in charges for some services, the emphasis of our savings is about efficiency and effectiveness. We believe this is a package of measures which will limit any possible negative impact on the services the people of Angus rely on each and every day.

Councillor Mark Salmond
Finance Convener

Ian Lorimer
Director of Finance

Key Messages

1. The council has never been so financially challenged and that will not change in the near future. COVID-19 has brought additional challenges but the underlying issues of funding versus cost and demand pressures on the Council's budget remain very challenging.
2. The council relies on grant income from the Scottish Government for 81 percent of the money it needs to pay for the services that the council provides to the public. Council Tax income covers only 19 percent of the net cost of providing services.
3. The council's finances are being squeezed from three directions at the same time: the money it gets from Scottish Government for existing services has been reducing in real terms; inflation means it costs more to provide services each year and there is increased demand for some services. This "triple whammy effect" over the last nine years has meant that the council has had to make big changes to the services it provides, how it provides them and the fees and charges it asks people to pay.
4. Although the council can do more to improve its efficiency, it has already done a huge amount to save taxpayers money and reduce its costs. The council is still providing all the services it is required to by law and has still managed to make savings of £71.3m (26 percent) in the last nine years.
5. The range of services provided by Angus Council is vast. Council services touch the lives of every person in Angus every day, in some way. Those services are important, but they cost money and need to be paid for.
6. Despite the most challenging financial situation faced by local authorities in a generation, Angus Council still has responsibility for deciding how very large amounts of taxpayer's money will be used. That money is intended for services that are the highest priority to get the best outcomes for local people as detailed in our Council Plan.
7. The future for the council looks very challenging. The sustainability of the current system of council funding and the services councils are asked to provide is now in urgent need of review.

Part 1 - How our Finances work

Main parts of council finances

It costs money to deliver the services the council provides and it must comply with strict rules as to how it manages and accounts for that money.

There are four main parts to the council's finances. These include:

General fund revenue

This covers the day-to-day spending and income on all services provided, except council housing. The costs of staff, materials, fuel, debt, etc. for services such as schools, waste collection, roads, planning and social work sit under this part of the council's finances.

General fund capital

This covers spending and income on assets (buildings, vehicles, equipment, etc.) which will be used over a number of years to provide General Fund services.

Housing revenue

This covers the costs of staff, repairs, administration, etc. required to run the council's housing service and the rental income received from tenants.

Housing capital

This covers the cost of building new, and improving existing, council houses.

Part 2 - General Fund

Where the money comes from

The vast majority of money is in General Fund revenue and this money comes from the public either through national taxation via the Revenue Support Grant, or directly via Council Tax, or from the fees and charges the council applies to some services.

The tables below show the different sources and percentages. Gross income covers everything, but net income is the most common way council finances and budgets are presented.

Figure 1: Sources of Gross Income

Sources of Gross Income	%
Revenue Support Grant	56
Council Tax	16
Other Income (incl. recharges)	8
Other Grants	6
Non-Domestic Rate Income	5
Fees & Charges	4
Specific Grants	3
Contribution from Funds/Balances	2

Figure 2: Source of Net Income

Sources of Net Income	%
Funding set by Scottish Government – Revenue Support Grant, Specific Grants & Non-Domestic Rate Income	81
Council Tax	19

The council relies on the Scottish Government, Angus Council Taxpayers, businesses, the UK Government and customers paying for services for all of its income. This is the total income the council receives in order to provide services. The sources of gross income are shown in Figure 1.

Figure 2 shows just how dependent the council is on the money it receives from the Scottish Government. At 81 percent of net income, this is the biggest factor affecting the council's budget decisions. Although Council Tax is a big bill for each household every year, the money raised only meets 19 percent of the cost of providing council services.

The 81/19 ratio of grant funding to Council Tax creates a "gearing" effect. In Angus this means that a £2.4m (which is one percent) reduction in Government Grant would need an approximately four percent increase in Council Tax to make up the loss.

Although the council collects non-domestic rates from Angus businesses, this income goes into an all Scotland fund and is then redistributed to councils as part of their total allocation of funding from the Scottish Government. The Government therefore decides how much of the non-domestic rate income collected locally comes back to Angus Council. The council has no control over this part of its funding.

Where the money is spent

Angus Council, in common with all Scottish councils, provides a very wide range of services. Some are required to be provided by law and some are permitted. These include large service areas such as schools, down to small services such as the maintenance of war memorials. Council services impact almost every aspect of our daily lives across Angus. Many of these go unnoticed and are provided for the benefit of all citizens rather than directly to a single individual. Figure 3 shows the percentages spent on the main council services.

Figure 3: Main Services and % of Budget

Service	%
Schools – Primary, Secondary, ASN, Early Years	42
Adult Social Care Services	22
Children, Families & Justice Services	7
Roads & Transport Services	6
Waste Management	6
Borrowing Costs	4
Finance	1
Legal Services	1
Council Tax Reduction & Welfare Fund	2
Leisure & Cultural Services	2
FM & Other Support Services	4
IT & Human Resources	2
Parks & Gardens	1
Planning & Communities	1

Most of the costs are for staff directly employed by the council but the council also buys in services from other organisations and makes payments to these third parties. Figure 4 shows the main areas of expenditure.

Figure 4: Main Types of Expenditure

	%
Employee Costs	46
Third Party Payment	37
Property Costs	6
Supplies & Services	6
Borrowing Costs	3
Transport Costs	2

The challenges

The council operates in an increasingly complex environment and one where it continues to be asked to do more through new legislation but where funding for existing services is being squeezed in real terms. The expectations, obligations and reporting requirements placed upon the Council has also been increasing so there is more work to do and less money to make it happen. The Council has achieved significant savings (£71.3 million in the last nine years) but savings on this scale simply cannot continue to be made without impacting on the services the Council provides. This is where the Council's policy priorities help to guide the allocation of the scarce financial resources the Council has to use.

The main challenges are highlighted as follows:

- **Policy and legislative changes**

There are a wide variety of major national policy and legislative changes which are affecting the council. Changes in legislation can mean higher costs which the council must meet in order to comply with the law.

While some aspects of Scottish Government funding have increased, most of this extra

funding can only be spent on specific projects which are part of national policy so the council must spend this money only on those projects.

- **Partnership working**

There has been a big increase in the number of partnerships that the council is working with in order to deliver services. Examples include Angus Alive, the Angus Health & Social Care Partnership, Community Planning Partners and Tay Cities Board. This makes tracking performance and governance more complex, but it also gives the council the opportunity to learn and deliver services in new, more effective ways.

- **Reductions in government grant**

As stated above, 81 percent of the council's net budget comes from Scottish Government grant support. All councils in Scotland have seen their core grant funding (the funding for existing services rather than new ones) reduce over a long number of years. Financial year 2022/23 sees a continuation of this approach to Council funding by the Scottish Government. For 2022/23 there is a large increase in grant available to Local Authorities but almost all of this increase is either to assist the Angus Health & Social Care Partnership with their increasing costs or for new initiatives which the Scottish Government require Councils to implement. Only a lesser amount of the grant increase (£1.1m) is available to assist the Council with general increasing costs, such as pay award and soaring energy prices. In a recent report Audit Scotland commented "Prioritising services such as the NHS may have an adverse impact on local government funding levels. In the Local Government in Scotland: Financial overview 2019/20, we reported that between 2013/14 and 2019/20, local government funding underwent a larger reduction than the rest of the Scottish Government budget over the same period. The Scottish Government will have to make difficult decisions in response to the pandemic and this may exacerbate the financial uncertainty challenge for councils."

- **Rising costs due to inflation**

Council services are subject to rising costs in the same way as any household budget. Providing council services needs staff, food, fuel, energy, vehicles, and other materials. These costs have all been rising each year because of inflation. Inflation on some of the council's costs e.g. for care services can be much higher than the level of general inflation.

- **Rising costs due to increasing demand**

There have been changes in demand for some services caused by an ageing population and new initiatives, such as the increase to the numbers of funded hours for Early Learning and Childcare. In order to meet this demand, there will need to be changes to staffing levels, buildings and equipment, and this means higher costs.

When there is a reduction or limited increases to 81 percent of income and costs are increasing because of inflation, demand, new legislation and complexity, there is inevitably a significant challenge to address.

The combined effect of the financial challenge has meant that in addition to the £71.3m saved in the last nine years Angus Council will need to find another £6.801m of savings in setting its 2022/23 revenue budget. Further significant savings in future years are also expected to be necessary.

The fact the council has up to now been able to keep most services running well is due to the hard work of staff and the willingness of councillors to make difficult decisions when required.

General fund revenue budget for 2022/23

Increases in the council's costs and reductions to its income mean that there is not enough money to pay for all services as they are currently provided. The council has a funding "gap" for 2022/23 of £13.937m which is 4.4 percent of the net budget, meaning that there is a difference between budgeted expenditure and income which needs to be addressed. The table below shows the main causes of the funding gap.

Figure 5: Funding Gap 2022/23 – Main Causes

Cause	£m
Pay inflation and increments – teachers and other staff (not already in base budget)	4.282
National Insurance Increase – employers costs	1.438
Corporate Energy Cost Increase	1.035
Cost and demand pressures in adult health and social care	2.138
One-off budget savings in 2021/22: need permanent solutions	3.727
Cost & demand pressures in Children & Family Social Work	0.486
Cost & demand pressures in Education & Lifelong Learning	1.005
Cost & demand pressures in Infrastructure Services	0.865
Cost & demand pressures in support services	0.436
Other budget adjustments	(0.358)
Additional Scottish Government Funding for core services	(1.117)
Overall Funding Gap	13.937

The funding gap for 2022/23 is significant and closing it is a major challenge for the council. The council is required by law to set a balanced budget each year. This means that the council must find ways to make sure that it matches its expenditure to its income, no matter how difficult this may be and no matter what impact on services this will have.

The council's plans for closing the funding gap are shown in the table below.

Figure 6: Measures to Close the Funding Gap 2021/22

	£m
Total Funding Gap	13.937
Less Budget Savings from Change Programme	(6.801)
Less: Increase in Service Charges	(0.086)
Less increase in Council Tax Base	(0.600)
Adjusted Funding Gap before Council Tax and	6.450
Less Council Tax Increase	TBD
Less Use of Reserves for One-off issues	(0.875)
Less Use of Reserves for Ongoing issues (to balance budget but may be subject to change in final budget decisions)	TBD
Remaining Funding Gap	Nil

More information about the council's General Fund revenue budget is included in the official reports submitted to the Special Council Meeting of 3 March 2022 which are available on the council's website www.angus.gov.uk.

General fund revenue budget for 2023/24 – 2024/25

The council published its Medium-Term Budget Strategy (MTBS) for 2022/23 to 2024/25 at the Angus Council meeting on 4 November 2021. Report 339/21 refers and can be found on the council's website.

The MTBS is the council's best estimate of its expenditure, income and funding gaps for the financial years 2022/23 and 2024/25. These predictions about future budgets have now been updated, taking account of what is known about the 2022/23 revenue budget and current plans for balancing budgets in future years.

Figure 7

	2023/24	2024/25	2 Year Total
	£m	£m	£m
Projected Funding Gap (Report 339/21)	11.367	13.502	24.869
Adjustment for previous years funding gap (note 1)	5.575	2.000	7.575
Adjustment for additional grant funding provided on a one-off basis (note 2)	2.505	0.000	2.505
Updated Funding Gap (March 2022)	19.447	15.502	34.949
Less Future Change Programme savings	(6.053)	(7.256)	(13.309)
Less use of uncommitted general fund balance per proposed use of reserve strategy	(2.000)	(1.000)	(3.000)
Estimated funding gap still to be addressed (note 3)	11.394	7.246	18.640

Note 1 – this figure assumes no increase in Council Tax is applied in setting the 2022/23 budget, as this has still to be determined so is shown for illustrative purposes only. The figure is also subject to change depending on final decisions regarding the use of Council Reserves.

Note 2 – the Scottish Government has stated that the additional funding announced as part of the Stage 2 Budget Bill debate is one-off. This position could change as part of the Spending Review but for now we have to plan on a worst-case basis for what we have been told regarding this funding.

Note 3 - this remaining gap assumes no increases in Council Tax levels or the Council Tax base apply. Such increases will narrow this gap but is, dependant on decisions made in future budgets.

The table shows that the council's finances on General Fund revenue services are expected to continue to be under severe strain in the years ahead and that further changes to the services the council provides will be needed.

General fund capital budget for 2021/22 – 2025/26

The Council is planning for significant investment in its schools, roads, vehicles, equipment and land for economic development in the current five year planning period.

This investment is necessary to provide services to the public while reducing running costs for future years. A substantial investment was made in the 2021/22 Capital Budget for building a replacement for Monifieth High School, which will ensure we provide our young people with the best facilities we can. Other significant investments are in Tay Cities Deal projects, which will bring economic benefits to Angus flood protection schemes which will protect homes and businesses at risk across Angus and Roads Infrastructure maintenance.

In total, the council plans to invest £176m on capital projects up to March 2026 on General Fund services. Figure 8 shows the main planned projects:

Figure 8

Area of Investment Budgeted Spending	Budgeted Gross Spending £m
Road Maintenance across Angus	30.0
Replacement of Monifieth High School (Angus) Schools for the Future)	49.2
Angus School Estate (excluding Monifieth High School)	9.0
Property Maintenance across Angus	3.8
Montrose Coast Protection	4.6
IT Hardware Refresh Programme, including Schools	2.3
Arbroath Places for Everyone Project	13.1
Tay Cities Deal Projects	21.0
Arbroath Flood Strategy	10.6
Waste and General Vehicle Replacement	9.8

The council's capital spending is funded from Scottish Government Capital Grant, borrowing, capital receipts from selling surplus assets plus the opportunity to use revenue budget money to pay for capital projects. Figure 9 shows how the total spend of £176m is expected to be met in the current five year period of the capital budget.

Figure 9: Split of Capital Funding

	%
Borrowing	42
Government Capital Grant	34
Other Grants and Contributions	15
Capital Receipts from Assets Sales	3
Capital Funded from Current Revenue	4
Capital Fund	2

Part 3 - Housing

How we manage housing money

The council must keep its spending on, and income from, council housing services separate from General Fund services. Therefore, money raised from rents paid by tenants is kept separate from the money raised from Council Taxes.

Unlike the council's general revenue fund services which are under severe strain, careful management and investment of housing assets, together with modest rent rises year on year have resulted in a good financial position for the council's housing service.

Housing revenue budget plans for 2022/23

Planned spending on day-to-day running costs is expected to be £32.1m in 2022/23 with most of that cost being met from rental income for houses, garages and other services.

Figure 10: Breakdown of Housing Costs

	%	£m
Borrowing Costs	31	10.1
Supervision & Management	28	8.9
Repairs & Maintenance	33	10.5
Other Costs	8	2.6

Figure 11: Breakdown of Housing Revenue Funding

	%	£m
Housing Rents	92	29.4
Garage Rents	2	0.6
Dispersed Rents & Charges	2	0.7
Sheltered Housing Charges	2	0.6
Other	2	0.8

Housing capital budget plans for [2022/23 – 2025/26]

The council is planning to invest £68.9m in council housing over the next four years. This investment will be paid for by borrowing, contributions from the housing revenue budget and by using housing reserve funds. The main areas of planned spend are shown in Figure 12.

Figure 12: Breakdown of Housing Capital Spending

	%	£m
New Build Homes	33	22.5
Energy Saving Measures	45	30.9
Bathroom Replacements	12	8.1
Heating Installation & Replacement	1	0.6
Kitchen Replacements	1	1.0
Other Projects	8	5.8

Figure 13: Breakdown of Housing Capital Funding

	%	£m
Mainstream Borrowing	54	37.5
Capital Financed by Revenue	39	26.9
Transfer from Reserves	4	2.8
Affordable Housing Reserve	2	1.2
Capital Receipts	1	0.5

Part 4 – Change Plan (2022/23 to 2024/25)

‘Transitioning the Change Programme’

1. Overview

- 1.1 The Council's Change Programme was established during 2017/18, building on the progress made by previous corporate transformation initiatives. Since that time the organisational culture has continued to shift and embrace delivering change as an embedded way of working. This supports the next phase of 'Transitioning the Change Programme' which is set out below in this latest change plan.
- 1.2 The whole portfolio of Council programmes and projects will continue to be aligned to the Council's priorities:
 - Economy: 'We want Angus to be a 'go-to' area for business'
 - People: 'We want to maximise inclusion and reduce inequalities'
 - Place: 'We want our communities to be strong, resilient and led by citizens'
 - Our Council: 'We want Angus Council to be efficient and effective'
- 1.3 Projects and programmes are now also linked to the Council's purpose which is set out in the 'Strategy on a Page' under the banners of Eliminate, Reduce, Raise and Create.
- 1.4 As many of the Council's investment and enabling programmes and projects are also included in the Council Plan, the transitioned Change Programme has been re-aligned with its primary focus on savings. The investment and enabling programmes and projects will now feature solely in the Council Plan. This approach brings the benefit of now focussing the Change Programme entirely on savings delivery/ assurance. This is particularly important in the context of the challenging financial position which the Council is faced.
- 1.5 Service contraction is also now an unavoidable and inevitable consequence of the overall funding that is available to the Council. The year-on-year financial challenge for the Council to achieve a balanced budget has therefore resulted in the introduction of each Council Directorate identifying a range of service contraction savings with targets of 1%, 2% and 2% over the 3-year period 2022/23 to 2024/25. These target savings have been factored into the transitioned Change Programme in order to mitigate any risk of duplication.
- 1.6 The new Service Design initiative is also now in progress with the various workstreams being integrated into the transitioned Change Programme. The various 'tests of change' identified represent investment in medium to longer term transformation projects which will shift our current ways of working, designed with the needs of our customers at its heart. Non-financial benefits are likely to be achieved in the short to medium term with financial benefits taking longer to deliver, with some linked to whole system transformational change also involving Community Planning partners.
- 1.7 Various initiatives emerging, reflecting new ways of working from the Council's approach to Recovery & Renewal through the pandemic, are also being integrated into the Change Programme and Council Plan to ensure that all our strategic change is co-ordinated across the organisation.
- 1.8 While Recovery & Renewal is offering optimism for new transformational change opportunities in the future, it is also important to note the considerable disruption that the COVID-19 pandemic has had on Council resources. Responding to the emergency has been the top priority since March 2020, with the consequence that focussing on delivering change has been and continues to be a real challenge.

- 1.9 The Change Programme is also closely linked to the annual update of the Medium-Term Budget Strategy (MTBS) and annual budget planning process. Strategic planning arrangements now include annual updates to the Council Plan, Finance & Change Plan and Workforce Plan to ensure there is a joined-up approach to make best use of our finite resources.
- 1.10 While the focus for the Change Programme is shifting to delivering savings, it will continue to be organised around a planning cycle and a delivery cycle. The planning cycle is aimed at identifying new programmes and projects to meet the emerging needs of the Council from a financial perspective; and the delivery cycle focusses on implementing the various programmes and projects to realise the financial benefits that have been identified. Updated governance and reporting arrangements are also being implemented to support the transitioning of the Change Programme.

2. Challenges facing the Council: National Context

2.1 The Council continues to operate in an extremely challenging environment. A number of these challenges were outlined in the national 'Local Government in Scotland Overview 2020' report, published by the Accounts Commission and referenced in the previous version of the Finance & Change Plan. These challenges have been updated for this latest version of the Finance & Change Plan and include the following:

- (i) Political and economic – the political and economic landscape continues to hold uncertainties including:
- The ongoing impact of the COVID-19 pandemic on the economy, public finances and public bodies
 - The national political landscape including the implications emerging from the Scottish Government's Programme for Government
 - Potential debate on a second independence referendum
 - Local government elections in May 2022
 - The outcome of the local governance review
 - The impact of Scotland's economic performance on public finances
 - The ring fencing of government funding to support specific initiatives removing local flexibility
- (ii) Community needs – population changes affect the need for and demands on many services provided by local government:
- The ongoing impact of the COVID-19 pandemic on communities is uncertain
 - The proportion of the population over 75 years is increasing, affecting the demand for some services
 - Most council areas are seeing a notable decrease in the proportion of children in their communities
 - Poverty and child poverty levels are increasing
- (iii) Policy – local government is an important contributor to national outcome priorities – national policies and initiatives bring additional challenges and pressures for example:
- Health and social care integration, including the consultation and potential for a new National Care Service
 - Tackling climate change
 - Welfare reform
 - Additional support for learning
 - Planning (Scotland) Act 2019
- (iv) Financial – local government faces a range of financial challenges including:
- The level of future Scottish Government funding is uncertain
 - The flexibility of how councils can use this funding is reducing

- There are increasing cost pressures including staff costs and increasing needs from communities
 - Councils have been using reserves to manage funding gaps – this is not sustainable
- 2.2 Many of these national challenges also apply to Angus Council at a local level. The Council is responding to those challenges through its strategic planning arrangements. A number of related projects are already included in the Change Programme and Council Plan. The response to these challenges also requires to be delivered within the staffing and financial resources the Council can afford within its finite financial envelope.

3. Medium-Term Budget Strategy

- 3.1 The Council prepares a Medium-Term Budget Strategy (MTBS) each year which sets out the Council's projected budget position and how that informs policy decisions for forthcoming budget setting purposes. The MTBS covers a 3-year planning period.
- 3.2 The MTBS includes projections to identify the main areas of cost pressures over the 3-year period and estimates the likely funding gap between the cost of service provision as currently provided and financial resources available.
- 3.3 The estimated cost pressures are based heavily on a number of assumptions which fall broadly into (i) issues which are known about or could be reasonably foreseen; and (ii) issues which can be anticipated as areas of risk but the extent of risk is uncertain.
- 3.4 In the last 9 years the Council has had to save £71.3m from its General Fund revenue budget, equivalent to around 26%. This is a significant sum but because some areas of the Council's budget are protected either by Scottish Government requirements (like maintaining pupil/teacher ratios) or by local policy priorities the burden of those savings has not fallen evenly across all of the Council's services. What this scale of previous savings means is that finding the further savings projected to be required in the next 3 years is going to be exceptionally challenging and will require yet more fundamental changes in the services the Council can offer and how it can provide them.
- 3.5 The main way in which the Council has been bridging the projected funding gap over the past few years, is through the Change Programme, the use of Reserves and other financial flexibilities (if required due to COVID-19). Service contraction will now also require to be included as part of that approach.

4. Review of Progress with the Change Programme

4.1 What have we achieved?

- 4.1.1 The total value of 'financial benefits' delivered during the 4-year period 2018/19 to 2021/22 amount to £32.59 as detailed in the following table:

Financial Year	Savings
2018/19	£9.63m
2019/20	£9.97m
2020/21	£8.58m
2021/22	£4.41m
Total	£32.59m

- 4.1.2 During that period, a significant number of 'non-financial benefits' have also been delivered by the Change Programme.

4.2 Where can we Improve?

4.2.1 As part of the development of the Change Programme for 2021/22, we carried out a high-level 'SWOT' analysis of our Strengths and Weaknesses as an organisation, along with the Opportunities and Threats that exist in the environment that we operate. The findings are summarised as follows:

SWOT Analysis			
Strengths	Weaknesses	Opportunities	Threats
Embedded change programme	Organisational data could be used more effectively to support change	New perspectives and ideas	Changing Political landscape
Strategic framework to deliver change	Working across services could be further strengthened	Greater focus on needs, not one size fits all	Public perception and expectations
Broad range of skills and expertise	Planning cycle for change could have greater ongoing focus	Seek to accelerate transformation opportunities emerging from COVID-19	National policy demands and associated funding constraints
Experienced at managing workforce change		Inspire new leaders throughout the organisation	Change fatigue

4.2.2 Highlighting these items as part of the SWOT analysis demonstrates that as an organisation, we have made significant progress with embedding change in our culture over the past few years and have a positive platform to work from.

4.2.3 Part of our Change Programme improvement activity over the past 12 months has been to build on that positive platform by starting to address the weaknesses and opportunities that have been identified. A number of the areas of improvement are included throughout this plan, including the need to transition the Change programme, introducing a new change methodology via Service Design and updated governance arrangements. Two other key aspects of improvement activity being progressed are as follows:

- Business Insights work: this has been initiated to develop and improve our quality of business intelligence in each of our services and across our organisation. This is key to identifying the potential opportunities for future Change Programme initiatives. It is aimed at understanding key metrics like service quantity, quality and cost to identify areas where resources may no longer be required, or services delivered differently.
- Big Data Project: this new project has been initiated as part of our Performance-Led Programme with the objectives of: (i) improving collaboration and productivity between services, and partners on collecting and managing data; (ii) increasing quality and efficiency of our data and data management so that it is reliable and purposeful; (iii) improving data skills and literacy in all services and across the Council; and (iv) improving opportunities for data analysis and reporting of data. Achieving these objectives in turn will improve the evidence-based data to support change and improvement activity going forward.

5. Transitioning the Change Programme (2022/23 to 2024/25)

5.1 Introduction

5.1.1 The 'Challenges facing the Council: National Context' and the 'Medium-Term Budget Strategy' position set out above, also both clearly establish that Angus Council needs to be ready and responsive to implement even more radical change over the forthcoming years. It is only through that transformational change, which also now needs to include targeted areas of service contraction, that the Council will be in a position to meet these challenges.

5.1.2 Strengthening the current approach to our planning for change cycle is a key part of addressing that - it is through that planning cycle that new programmes and projects will be identified, understood, categorised, prioritised, planned and approved for delivery. These new programmes and projects also need to dovetail with our Strategy on a Page, Council Plan priorities and Workforce Planning arrangements.

5.2 Change Programme Setting/ Context

5.2.1 The Council has strengthened its strategic planning arrangements to be clearer about its purpose. This is to strengthen our Why?; our How? and our What?

5.2.2 Our approach to change including initiatives in the Council Plan, along with those in the transitioned Change Programme, are intrinsically linked and provide the mechanism to manage the practical planning and delivery of change across the organisation.

5.2.3 The interaction between the components of establishing our purpose (the Why?); the manner in which the purpose will be achieved (the How?); to delivering outputs and outcomes in practice (the What?) is detailed below:

From Purpose to Delivery		
Why?	How?	What?
<p>Our Purpose – Strategy on a Page (from the Council Plan):</p> <p>Eliminate</p> <ul style="list-style-type: none"> • Child poverty • Barriers to Access • Inefficiency <p>Reduce</p> <ul style="list-style-type: none"> • Climate Change • Duplication • Bureaucracy <p>Raise</p> <ul style="list-style-type: none"> • Opportunities for Lifelong Learning • Customer service • Wellbeing <p>Create</p> <ul style="list-style-type: none"> • Equity 	<p>How we will identify what we will do</p> <p>1. Provide clarity of our work aligned to our priorities (from the Council Plan):</p> <p>Economy</p> <ul style="list-style-type: none"> • We want Angus to be a 'go-to' area for businesses <p>People</p> <ul style="list-style-type: none"> • We want to maximise inclusion and reduce inequalities <p>Place</p> <ul style="list-style-type: none"> • We want our communities to be 	<p>What action we will take to deliver outcomes for people and communities in Angus.</p> <p>1. Services delivering outcomes and actions linked to our purpose and priorities (PLED and HGIOC)</p> <ul style="list-style-type: none"> • Strategic Policy, Transformation & PSR • Finance • Legal and Democratic Services • Human Resources and IT

From Purpose to Delivery		
Why?	How?	What?
<ul style="list-style-type: none"> • Stronger Partnerships • Inclusive Culture 	<p>strong, resilient and led by citizens</p> <p>Our Council</p> <ul style="list-style-type: none"> • We want Angus Council to be efficient and effective <p>2. Understand the category of change that a programme or project will deliver.</p> <ul style="list-style-type: none"> • Demand Management • Commercialisation • Partnership/ Collaboration • Service Contraction <p>3. Engage key stakeholders to inform better decisions about what we will do</p>	<ul style="list-style-type: none"> • Children, Families & Justice • Schools & Learning – Early Years • Communities • Infrastructure <p>2. Programmes and Project initiatives in our overall change portfolio</p> <p>Categorised by type of programme or project</p> <ul style="list-style-type: none"> • Investment (Council Plan) • Enabling (Council Plan) • Savings (Change Programme)

5.3 Transitioning the Change Programme - Master-Plan Timeline

5.3.1 A high-level strategic timeline of how transitioning the Change Programme will be progressed has been developed as follows:

Strategic Timeline				
	2022/23	2023/24	2024/25	Future Years
Transitioning the Change Programme	√	√		
Phase 1	√ Develop	√ Delivery		
Phase 2		√ Develop	√ Delivery	
Phase 3			√ Develop	√ Delivery
Develop future years' new change initiatives				√ Develop

5.4 Our Plans for Transitioning the Change Programme during 2022/23 to 2024/25

- 5.4.1 The financial challenges which lie ahead for the Council are significant – the Change Programme is now an embedded way of addressing that challenge - at least in part. Having undertaken a full review of the existing Change Programme during 2021/22, there is a need to refocus our work to ensure we have deliverable savings targets that align with the magnitude of the emerging and anticipated future financial pressures.
- 5.4.2 The approach has therefore been developed to focus our attention in the Change programme on the biggest opportunities for savings and income growth. This also includes the service contraction component reflecting the 3-year target saving of 5% across all services which has been included as part of the 2022/23 budget preparation process.
- 5.4.3 Previous versions of the Finance & Change Plan have referenced our focus on four main groupings of change: Demand Management – more timely and targeted support; Innovation/ Commercialisation; Partnership/ Collaboration; and Service Contraction. These will continue to feature in our transitioned Change Programme and will be supplemented with a further four groupings from our Strategy on a Page.
- 5.4.4 The eight groupings will be led by Service Directors who will each be the Sponsor for a specific group of programmes and projects. The Sponsors will work with colleagues in services across the Council to develop new change programmes and projects building over time a portfolio of savings related change initiatives
- 5.4.5 The scope of the transitioned Change programme developed to date is set out in Appendix 1. The appendix includes an overall summary reflecting the new strategic framework for the transitioned Change programme, along with supporting details of the various programmes and projects which have been identified at this stage.
- 5.4.6 Governance arrangements are also being updated which will include the Change Board and Change Forum, with the introduction of a new Change Panel which will link strategic oversight to operational delivery and provide more focus on the continual development of the Change Programme. The Service Design governance arrangements will also be linked into the overall plans.
- 5.4.7 The Change Forum will continue to provide a platform for sharing information/ best practice, lessons learned and providing a peer support network for those involved in delivering change projects. It will also be refreshed to provide opportunities for injecting new energy, ideas and leadership opportunities on a cross-service, Council-wide basis. This approach also supports our improvement work from the earlier SWOT analysis.
- 5.4.8 Reporting mechanisms will be designed to provide updates on project progress for information and scrutiny to the Change Board on a monthly basis. Update reports will also be provided for elected members to the Policy & Resources and Scrutiny & Audit Committees.

Change Programme Savings

PROJECT REF:	CHANGE INITIATIVES	2022/23	2023/24	2024/25
Economy				
Eliminate Child Poverty				
New	Tay Cities to Increase Income			100,000
New	Increasing Income through Grant Funding Opportunities	50,000	50,000	50,000
New	Economic Partnership Opportunities			60,000
Service Design	Service Design - Child Poverty, Lived Experience			
Service Design	Service Design - Child Poverty, School Meals Uptake			
Service Design	Service Design - Delivering the Promise, Intensive Family Support			
Service Design	Service Design - Delivering the Promise, Brechin Whole Family Support			
Commercialisation				
BU-CP-002	Procurement & Commissioning	110,000	50,000	50,000
BU-BE-005	Review of DRU		50,000	
New	Enterprising Angus			50,000
People				
Raise Opportunities for Lifelong Learning				
BU-WC-002	Teachers - Funding Offset Arrangements	183,000	183,000	182,000
Partnership/Collaboration				
PE-SC-001/2	AHSCP - Improvement and Change Programme	2,138,000	1,902,000	1,902,000
PE-SC-004	Tayside Contracts - Improvement and Change Programme	200,000	200,000	200,000
New	Regional Collaboration - Test of Change - Road Maintenance		0	0
BU-BE-004	Regional Collaboration - Test of Change - Fleet Review		25,000	50,000
New	Regional Collaboration - Test of Change - Facilities Management		0	0
Place				
Reduce Climate Change Impact				
EC-LCTN-001	Electric Vehicle Charging Regime	11,000		
BU-AT-002/003	Transport Opportunities	80,000		
BU-SR-003	Review of Kerbside Recycling Service		30,000	200,000
BU-MBA-001	Agile 1 - final elements	329,500		
BU-MBA-001	Agile 2	37,000	40,000	27,000
Demand Management/Community Focus				
PE-SC-003	ANGUS Alive - Transformation Project	285,000	210,000	500,000
PE-SC-006	Transforming Third Sector Services Through Partnerships	29,000	14,000	
New/BU-TR-002	Place Planning	60,000	500,000	500,000
New	Community Wealth Building Opportunities			50,000
Service Design	Service Design - Vibrant Communities Engagement			

Our Council				
	Create Equity			
BU-BS2-001/2/3	Business Support 2		150,000	
New	Administrative Support Review			50,000
New	Additional Corporate Staff Slippage (evidenced by Business Insights)	250,000		
Service Design	Service Design -Improving Access to our Services for our Communities			
	Service Contraction			
BU-0DZ-003	SOAP/Peer Reviews/Business Insights	75,000	250,000	250,000
BU-DD-003	CASH 2 - Further phase of on-line Payment Facilities	25,000	75,000	
BU-BE-001	Purchase to Pay	50,000	100,000	
BU-TR-005	5% Savings - 2022/23 budget process	2,311,000	2,189,000	3,000,000
Various	Projects under £50k (including LEAN Efficiency Programme)	77,500	35,000	35,000
New	General Expenditure Slippage (evidence by Business Insights)	250,000		
New	Review of Ring-Fenced Funding	100,000		
New	NDR Costs and Relief Review	50,000		
New	Review of Support Services Recharges to Non-General Services	100,000		
Total General Revenue Fund Savings from Change Projects		6,801,000	6,053,000	7,256,000
3 Year Projection		£20,110,000		

Economy

Eliminating Child Poverty

Eliminating Child Poverty is a key purpose for Angus Council as established in our Strategy on a Page. How we are planning to tackle this is set out in our Council Plan and more broadly within our Community Plan which details work with our partners to reduce Child Poverty.

Over recent years we have invested in a range of interventions to help address child poverty, particularly in the work we are doing through Tay Cities to help grow the economy, create well paid jobs and deliver skills and employability opportunities, including ensuring that 'no one is left behind'.

We have also provided numerous grants and support services throughout the pandemic to help families who were at risk in terms of food, energy, and other family circumstances. More recently the Council is investing in the establishment of a welfare rights service in schools. More broadly our Council Tax and Council house rents continue to be amongst the lowest in Scotland.

In this change plan we do not intend to target savings against this important area of our council business. Instead, the projects outlined below try to explore innovative ways to increase our income as a council that can then be redirected towards our broader ambitions of eliminating child poverty.

Tay Cities to Increase Income

The Angus Fund will be used to stimulate The Mercury Programme, Angus Council's visionary £1bn partnership programme across the Tay Cities region between government, public, private and community sectors using the £26.5m awarded.

The purpose of the Mercury Programme is to increase productivity through clean growth, protecting places for future generations to live, work and visit.

Year	Saving (£m)
2022/23	Nil
2023/24	Nil
2024/25	0.100
Total	0.100

Each project within the Angus Fund will look to attract additional investment, create jobs and provide economic growth within the region. Income generation will be delivered from profits from each of the individual projects that are developed.

The impact of these projects within Angus are positive, they will deliver regional economic benefits including jobs, leverage and emerging new sectors.

Further information on the Tay City Deal in Angus can be found in the Council Plan or at <https://www.investinangus.com/tay-cities-deal/>

Increasing Income through Grant Funding Opportunities

This project investigates the vital role external funding has in enabling future Change Programme initiatives, generating the financial resources required to turn potential opportunities into real projects.

External funding could be utilised to offset costs of projects which have potential to make future savings by taking a more preventative approach to managing day-to-day demand on services, including working with communities to encourage them to become more involved.

Year	Saving (£m)
2022/23	0.050
2023/24	0.050
2024/25	0.050
Total	0.150

Sustainability is of great significance when approaching change. By exploring external funding opportunities and delivering projects with internal and external partners we can build stronger partner relationships and explore further opportunities for potential savings through partnership work, sharing resources and exploring the 'who, what, how and why' of service delivery.

Economic Partnership Opportunities

It is anticipated that further funding will be made available to support the development of economic growth at a regional level and there is likely to be an opportunity to integrate this ambition with a review of existing partnership resources, such as Tay Cities.

Partners have also been successful in pooling resources to support the current Tay Cities Region programme management office and the Angus contribution can now be reduced.

Year	Saving (£m)
2022/23	Nil
2023/24	Nil
2024/25	0.060
Total	0.060

Service Design

Our Service Design initiative is also now in progress with the various workstreams being integrated into the Change Programme and Council Plan. The 'tests of change' identified represent investment in medium to longer term transformation projects which will shift our current ways of working, designed with the needs of our customers at its heart. Non-financial benefits are likely to be achieved in the short to medium term with financial benefits taking longer to deliver, with some linked to whole system change also involving Community Planning partners.

Six new Service Design initiatives are in progress and savings targets, where appropriate, are to be developed in due course, once relevant detail developed. The workstreams are:

- Child Poverty – focussed service design for those with lived experience
- Child Poverty – school meal uptake
- Improving access to services for our communities
- Vibrant Communities engagement service
- Delivering The Promise – Intensive family support
- Delivering The Promise – Brechin whole family support

Commercialisation

As described in this plan, the financial position facing local government's core services has been one of sustained decline and this is likely to continue for the foreseeable future. It is important therefore that we look at all aspects of our business and our contracting arrangements to ensure we are leading with a commercial mindset when investing our public resources.

Procurement and Commissioning

Working with Scotland Excel and our partners across Tayside, this project will identify procurement opportunities to make substantial savings for the Council.

Scrutinising procurement processes and contracts both in terms of their scale and scope will increase the council's efficiency and effectiveness. The Council ensures best use of the public pound through better management of contracts and working with other councils to get the best deal for Angus.

A project plan is now being developed to look at the following categories:

- Tendering Savings
- Item Savings
- Cost Avoidance/Specification Setting
- Effective Contract Management
- Spend Management including forward planning
- Economies of scale through joint procurements with other partners

Year	Saving (£m)
2022/23	0.110
2023/24	0.050
2024/25	0.050
Total	0.210

Review of Digital Reproduction Unit

A review of the operating model of the Digital Reproduction Unit (DRU) is being undertaken to ensure the Council delivers its print function as efficiently as possible, maximising all technological options and considering if there is an opportunity for a commercial element to the unit.

An initial savings target has been set as project scoping is in early stages, but this will be kept under review as the project progresses.

Year	Saving (£m)
2022/23	Nil
2023/24	0.050
2024/25	Nil
Total	0.050

Enterprising Angus

Our approach to commercialisation is in early implementation stages. It has been recognised that in this difficult financial climate, we need to find new ways to increase cost recovery and where possible grow our returns and ensure funding is used as effectively as possible to provide Council services.

Enterprising Angus Work will look at more effective ways of using resources and recovering costs, building on business intelligence data with a focus of potential savings in procurement and being more outcome focussed and cost-effective in day-to-day activity.

The council's Commercialisation Strategy was approved in March 2020 (Report 104/20) under the banner of Enterprising Angus but progress has been disrupted due to COVID-19. Actions to be taken forward include those highlighted below with a key focus on demonstrating effective outcomes :

- Making sure that we get the maximum value when we buy goods and services including collaboration with partners to achieve economy of scale
- Making sure we properly understand what it costs to provide services
- Making sure we know what drives our costs and incomes and using this information to inform our decisions
- Making sure we design services in a way which meet our citizens needs in an efficient way
- Taking the "right" opportunities to cost recovery and where appropriate generate income to support service provision

Year	Saving (£m)
2022/23	Nil
2023/24	Nil
2024/25	0.050
Total	0.050

People

Raise Opportunities for Lifelong Learning

Another key purpose for Angus Council is to raise opportunities for lifelong learning. There has been a longstanding commitment to offset teachers funding arrangements and this is detailed below, however, this area is subject to significant investment by Angus Council and there are limited opportunities to find savings, even although the services

Teachers – funding Offset Arrangements

This project makes changes to the school staff budget.

The project is to run from 2018-2025 with total projected savings of £2.399m, of which £1.851m has already been delivered between 2018/19 and 2021/22. The balance of £0.548m to be met in coming years as shown in the attached table.

The savings have been met by a planned approach to changes in teacher workforce over a number of years. This will be closely monitored for impact locally and in line with national planning and the impact of any national conditions in relation to the funding of schools.

Year	Saving (£m)
2022/23	0.183
2023/24	0.183
2024/25	0.182
Total	0.548

Partnership and Collaboration

How we work with our partners to deliver services locally is critical to the wellbeing of the people and the places of Angus. The savings opportunities set out below are largely showing the inflationary and cost pressures that partners have agreed to manage within their own organisations which means their budget through Angus Council fees and contracts remains the same in cash terms.

We are also at the early stages of developing partnership projects with our neighbouring Councils Dundee and Perth & Kinross.

AHSCP – Improvement and Change Programme

The Angus Health & Social Care Partnership (AHSCP) Improvement and Change Programme aims to improve and sustain a range of adult health and social care services, in line with its agreed Strategic Commissioning Plan 2019 - 2022.

Decisions on the projects which make up the AHSCP Improvement and Change Programme are a matter for the Integration Joint Board to consider and agree.

Angus Council's budget for 2022/23 is based on AHSCP receiving a flat cash settlement which means there are working within the current level of budget resource.

Year	Saving
2022/23	2.138
2023/24	1.902
2024/25	1.902
Total	5.942

Tayside Contracts – Improvement and Change Programme

This initiative is a strategic review of the council and Tayside Contracts partnership arrangements. The relationship between council services and its partners has changed significantly over recent years, so it is timely to review this partnership and ensure it is right for the future years.

The Current strategy is for Tayside Contracts to absorb, to the best of their ability, all inflationary and pay award costs. In achieving that position, Tayside Contracts services will effectively be delivered on a flat cash position in comparison to Council budget resource.

Year	Saving (£m)
2022/23	0.200
2023/24	0.200
2024/25	0.200
Total	0.600

Regional Collaboration – Test of Change Initiatives

Three project areas have been identified as a first tranche of collaborative projects with adjoining local authorities following a review of regional procurement opportunities. Work was developed to identified areas for potential savings and this is now being worked through in some detail.

The areas under review are:-

- Road Maintenance
- Fleet Services
- Facilities Management

Road Maintenance

This will include reviewing the level of roads maintenance to focus on core routes, managing a reduced maintenance level on minor/alternative routes.

With revenue budgets and service levels already reduced to basic levels in parts of the service, there may need to be considerations of how to further reduce demands on the roads service. This could include reducing the number of adopted roads, deleting non-essential routes and providing single routes to destinations.

Currently Council roads services are provided to the entire roads network. In theory, reducing the network would therefore reduce cyclic and long-term costs.

Savings targets require to be determined as this project is scoped and developed.

Fleet Review

This will include carrying out a review of all council and council partner organisations approach to fleet, including a full review of current methods of procurement, operations, maintenance and disposal. It will also include developing a full options appraisal aimed at identifying the most effective model, taking cognisance of all continuing service delivery requirements and utilising the latest market technology.

The savings target has been carried over from a legacy project.

Year	Saving (£m)
2022/23	Nil
2023/24	0.025
2024/25	0.050
Total	0.075

Facilities Management

A previous collaborative procurement review identified the opportunity to work collaboratively to deliver savings and efficiencies with other participating authorities in this test of change activity. It will establish ways to transform working that fosters cross-organisational working, as a template for future collaborative activities.

Phase 1 will review 50 construction type contracts to see if cashable savings, cost avoidance and improved ways of working and contract management can be identified. This will give improved consistency of the quality, safe and regulatory compliant delivery of construction projects. This phase of work is expected to be undertaken by June 2022.

Phase 2 would be implementation of these findings, but it is difficult to determine the timescale as it would require to reflect existing contract arrangements that will require to be phased out and new contracts in, if that is the recommendation from the scoping work of Phase 1.

No savings target has yet been attributed to this work, but from the procurement review, this category spend was in region of £50m with an anticipated cross council saving of £2m per annum being possible. Our Council share of this would require to be fully determined as the project progresses.

Place

Reduce Climate Change Impact

Angus Council is taking every opportunity to reduce the impact of climate change and we have been significantly investing in this for many years in relation to our recycling arrangements, energy use and our approach to more agile ways of working which mean less staff travel and having fewer buildings. With a recently agreed Strategic Environmental Climate Action Plan (SECAP) agreed by Angus Council, there is more action we can take to deliver meaningful change.

Electric Vehicle Charging Regime

This review planned the introduction of a charging regime for publicly available Electric Vehicle Charging points (EVCs) to cover the costs of the electricity and the charge point maintenance.

EVCs were initially free to use as part of Transport Scotland's initiative to encourage use of electric vehicles (EVs) by removing the limitations of range/recharging opportunities but continued free use to fuel vehicles was unsustainable. In June 2021, the Council approved the policy to allow full cost recovery for the operation of EV Charging points – report 197/21 refers.

Year	Saving (£m)
2022/23	0.011
2023/24	Nil
2024/25	Nil
Total	0.011

Transport Opportunities

This project was originally titled Affordability of Road and Transportation Systems but is now focusing on opportunities to deliver a more aligned and efficient transport system for Angus.

This will include the review of current arrangements for schools and public transport and identify opportunities to share vehicles and routes. This will create an improved community resource and a more efficient transport service for all users, focusing time and resources on those with the highest levels of need.

Year	Saving (£m)
2022/23	0.080
2023/24	Nil
2024/25	Nil
Total	0.080

Review of Kerbside Recycling Service

This project will review our current kerbside service to ensure alignment with the new Deposit Return Scheme. The opportunity will also be taken to review how we can maximise efficiencies and the quantity and quality of the material we collect for recycling.

The current kerbside recycling service to households in Angus was rolled out during 2014 and it is considered that there is merit in undertaking a further review to investigate if any further efficiencies and savings can be achieved.

Year	Saving (£m)
2022/23	Nil
2023/24	0.030
2024/25	0.200
Total	0.200

A Deposit Return Scheme (DRS) is to be introduced in Scotland and the target start date has now been moved to August 2023. This will involve a 20 pence refundable deposit applied to all glass and plastic drinks bottles (with exception of milk) and drinks cans. This will result in a large amount of recyclable waste diverted from household bins to retailers.

Agile/Estate Review

This programme commenced in 2015 and significant day-to-day benefits are now being derived from an agile workforce. While savings amounting to £433k have been identified over the next three years, savings of £1.4792m of have already been delivered.

New ways of working during the pandemic and home working by default have helped to accelerate this shift to agile working with the majority of the workforce working from home full-time since the beginning of lockdown in March 2020.

Year	Saving (£m)
2022/23	0.366
2023/24	0.040
2024/25	0.027
Total	0.433

This has significantly changed the future possibilities of the agile programme by building on how people work now rather than how they worked pre-pandemic. A review of working parameters is nearing conclusion to identify the actual need for space to minimise the size and cost of our estate.

The Council has also invested heavily in IT kit, software and equipment during the pandemic to allow staff to work effectively from home and continue to successfully deliver services.

A full business case has been developed to consider the future possibilities for the agile programme and a clear financial plan of targeted savings in future years, including the opportunity to reduce staff mileage and the number of office buildings we occupy.

Demand Management/Community Focus

Working together with our communities in Angus is key to managing demand in some of our services. In others it is about communities taking control of services or working alongside our partners to ensure communities continue to benefit from the services they value most.

ANGUS Alive – Transformation Project

ANGUS Alive savings have been re-aligned to reflect the significant impact that COVID-19 has had on the organisation, including future business viability as the recovery from the pandemic is assessed.

A major transformation project is now underway between Angus Council and Angus Alive to re-shape the services specification and build a new business plan to reflect the changing requirements which will offer a sustainable model of delivery in the long term.

Year	Saving (£m)
2022/23	0.285
2023/24	0.210
2024/25	0.500
Total	0.995

The phasing of the capital project on Integration of Libraries/ ACCESS in Brechin, Forfar and Monifieth has been revised to better reflect where they are in their stage of development and

implementation. These works originally formed part of the wider Angus Council agile working and estates review programme (report 480/15 refers). This transformation project is also looking at a pilot in Arbroath library/ access service provision, which was never part of the original agile/ estates review but is now a venue that is seen as potentially needing further consideration for investment.

Current funding in the capital budget is to be retained meantime but could be required given this budget would be a provision pending decisions arising from the transformation project and the related implications on investment planning going forward.

Third Sector and Enterprise Development

Following initial engagement and collaboration events held between the Council, Angus Health & Social Care Partnership and third sector representatives, a working group has been investigating improved ways of service commissioning. With involvement and commitment by the Council's Procurement Service this work will continue to identify leaner ways of working.

Year	Saving (£m)
2022/23	0.029
2023/24	0.014
2024/25	Nil
Total	0.043

Place Planning

The project has been redefined as Place Planning, previously Demand Management, with revised targets amounting to £1.060m over the next 3-year period.

The project is currently being scoped out and plans will be brought forward to fit with the savings timetable. In 2022/23, the savings will be achieved by completion of the project to review Arbroath Harbour delivery model.

Year	Saving (£m)
2022/23	0.060
2023/24	0.500
2024/25	0.500
Total	1.060

Arbroath Harbour is the responsibility of the council and incurs maintenance costs for the asset repairs, dredging of the channels, and running costs of staff, office etc. whilst generating an income from mooring and landing fees.

The harbour is a legal entity of the Council and it would require an Act of Parliament to change this responsibility. However, this proposal is to undertake a review of alternative models of managing and operating Arbroath Harbour, along with a full assessment of corresponding revenue and capital costs.

Community Wealth Building

Community wealth building is a new people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people.

The main principles that underpin this concept are: -

- Plural ownership of the economy
- Making financial power work for local places
- Fair employment and just labour markets
- Progressive procurement of goods and services
- Socially productive use of land and property

Year	Saving (£m)
2022/23	Nil
2023/24	Nil
2024/25	0.050
Total	0.050

Our Council

Creating Equity

Creating equity is another key purpose for Angus Council as set out in our Strategy on a Page. That means we are working hard to target services to those people who need them most so people can start from a level playing field. We also want to apply that principle in our workforce planning and the savings targets and changes are internally focussed at this time.

Business Support Programme

This has been a major programme to review and redesigns back office, clerical, administration, digital process redesign and customer contact services throughout the council. There have been a number of strands to the programme, some of which have already been completed and generated savings since 2018/19 to 2021/22 of £0.790m, with a further £150k of business efficiency measures to be introduced in the period to 2023/24.

The new combined team has been put in place, but the work to roll out the technical improvements to progress process automation, enhanced web-chat facilities and digitisation of key business processes has been severely delayed because of other COVID 19 priorities and we will continue to review our business support resources as we move to the recovery stages of business delivery post COVID.

Year	Saving (£m)
2022/23	Nil
2023/24	0.150
2024/25	Nil
Total	0.150

Administrative Support Review

This will be a review of the future administrative arrangements across the Council to continue to support the move to improved digital working and improved customer services.

This work is planned to be undertaken in 2024/25.

Year	Saving (£m)
2022/23	Nil
2023/24	Nil
2024/25	0.050
Total	0.050

Additional Corporate Staff Slippage

It is considered prudent to increase the level of staff slippage across the Council due to the increasing staff costs, both pay awards and national insurance increases.

Trend data shows that there is further capacity to achieve higher savings in this area.

Year	Saving (£m)
2022/23	0.250
2023/24	Nil
2024/25	Nil
Total	0.250

Service Contraction

Even with all of the planned changes in our programme being delivered, there is still a significant funding gap to be closed and we are looking at our budgets in forensic detail to ensure our services are as efficient as they can be. A 5% savings target has been applied to all services over the next three years and the options are challenging for many services.

To support this work, we will be conducting further business insights analyses and continually looking at ways to improve our processes to make them more digitally based, efficient and effective but a significant part of these proposals will unfortunately mean cuts in the services which can be provided.

SOAP/Peer Review/Business insights

Developing and improving our quality of Business intelligence or 'Business Insights' in services and across our organisation is key to identifying and underpinning the potential opportunities for future Change Programme initiatives.

There is a need to understand service quantity, quality and cost to assist with service transformation and if needed service contraction. This includes checking against our new Strategy on a Page criteria which clearly sets out our purpose to inform our future approach to budget prioritisation.

Improved business intelligence or 'Business Insights' will provide a level of detail and understanding across our organisation that will support our ability to identify opportunity and options and thereafter help us to develop robust 'cases for change'.

Year	Saving (£m)
2022/23	0.075
2023/24	0.250
2024/25	0.250
Total	0.575

Cash 2 – Further Phase of On-Line Payment Facilities

The project will look at the council's arrangements for receiving payments from customers. This is a further phase for services not previously considered when payments at Access Offices were withdrawn. This will consider the move to becoming cashless and more digital in our approach and will include developing a council policy in this regard, while taking cognisance of the changes that have been successfully introduced during the COVID 19 Pandemic.

However, the council is mindful that it needs to ensure a consistent and efficient means of taking all payments from customers including those who may not have access to digital options.

Year	Saving (£m)
2022/23	0.025
2023/24	0.075
2024/25	Nil
Total	0.100

Purchase to Pay

This project was initiated to streamline the purchase to pay process (P2P) across the council and is now moving into the implementation stage.

The Council currently operates a devolved approach to P2P with a significant number of staff involved at some stage in the end-to-end process through a variety of systems/processes.

The overall aim of the project is to undertake a review of systems and processes involved and to implement changes that will deliver cash savings and a more efficient and integrated process.

Year	Saving (£m)
2022/23	0.050
2023/24	0.100
2024/25	Nil
Total	0.150

5% Savings – Service Contraction

Service contraction is also now an unavoidable and inevitable consequence of the overall funding that is available to the Council. The year-on-year financial challenge for the Council to achieve a balanced budget has therefore resulted in the introduction of each council directorate identifying a range of service contraction savings with targets of 1%, 2% and 2% over the 3-year period 2022/23 to 2024/25 amounting to £7.5m.

This is included in the Service Contraction section shown in the summary version attached (**Appendix 1**) targeted as £2.311m, £2.189m and £3m in each of the next three years respectively.

Year	Saving (£m)
2022/23	2.311
2023/24	2.189
2024/25	3.000
Total	7.500

Small projects under £50k plus Business Efficiency Processes (LEAN)

This is a grouping of small projects that although only targeted to delivery minimal savings, will introduce new and more effective ways of working across the Council.

A major element of the project is the programme of business efficiency process reviews, known as the LEAN programme. This is a project to review LEAN activity within the council to support business change and assist staff in changing the way they work in delivering services. LEAN reviews drive efficiency and identifies where new processes can be introduced and will complement the Service Design Initiative currently in progress.

Year	Saving (£m)
2022/23	0.078
2023/24	0.035
2024/25	0.035
Total	0.148

General Expenditure Slippage

A review to look at the feasibility of building in a slippage allowance in all non-staff budgets across service teams. Performance indicators show evidence of a trend of underspends.

The business insights work being undertaken will assist the evidence base for identification of these areas.

Year	Saving (£m)
2022/23	0.250
2023/24	Nil
2024/25	Nil
Total	0.250

Review of Ring-Fenced Funding

Scottish Government often identify their priorities and allocate funding to local authorities to deliver these. This review will investigate if the Council are maximising the opportunity for recovery of all relevant costs from ring fenced funding monies.

Year	Saving (£m)
2022/23	0.100
2023/24	Nil
2024/25	Nil
Total	0.100

Non-Domestic Rates (NDR) Costs and Relief Review

This project will look all service areas where payments of NDR are made, looking to maximise all relief options.

This is a new project on the programme and it is felt that the introduction of a risk based target merits investigation.

Year	Saving (£m)
2022/23	0.050
2023/24	Nil
2024/25	Nil
Total	0.050

Review of Support Service Recharges to Non-General Fund Services

A full review of staff time will be undertaken to ensure that the correct levels of recharges are being made to non-general fund services.

Year	Saving (£m)
2022/23	0.100
2023/24	Nil
2024/25	Nil
Total	0.100